

UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary

| Fund | 2002-03 Base Year Doubled | 2003-05 Governor* | 2003-05 Jt. Finance | 2003-05 Legislature | 2003-05 Act 33 | Act 33 Change Over <u>Base Year Doubled</u> | |
|-------|------------------------------|----------------------|------------------------|------------------------|-------------------|--|---------|
| | | | | | | Amount | Percent |
| GPR | \$2,079,442,400 | \$1,984,671,200 | \$1,908,884,600 | \$1,908,884,600 | \$1,908,506,300 | -\$170,936,100 | - 8.2% |
| FED | 1,428,710,400 | 1,431,542,800 | 1,430,146,400 | 1,430,146,400 | 1,430,146,400 | 1,436,000 | 0.1 |
| PR | 3,237,859,600 | 3,714,787,900 | 3,704,095,300 | 3,704,095,300 | 3,703,891,600 | 466,032,000 | 14.4 |
| SEG | <u>51,612,400</u> | <u>56,626,200</u> | <u>56,549,400</u> | <u>56,549,400</u> | <u>56,549,400</u> | <u>4,937,000</u> | 9.6 |
| TOTAL | \$6,797,624,800 | \$7,187,628,100 | \$7,099,675,700 | \$7,099,675,700 | \$7,099,093,700 | \$301,468,900 | 4.4% |

*Funding under the Governor's proposal included \$67,267,600 GPR, \$16,225,400 PR, \$1,396,400 Fed, and \$76,800 SEG relating to student financial aid programs transferred from HEAB. This funding was removed from the UW System by Joint Finance and the Legislature and restored to HEAB.

FTE Position Summary

| Fund | 2002-03 Base | 2004-05 Governor | 2004-05 Jt. Finance | 2004-05 Legislature | 2004-05 Act 33 | Act 33 Change Over 2002-03 Base |
|-------|--------------|---------------------|------------------------|------------------------|-------------------|------------------------------------|
| GPR | 18,965.13 | 18,316.49 | 18,320.13 | 18,320.13 | 18,315.13 | - 650.00 |
| FED | 4,233.75 | 4,233.75 | 4,233.75 | 4,233.75 | 4,233.75 | 0.00 |
| PR | 6,349.50 | 6,935.14 | 6,935.14 | 6,935.14 | 6,935.14 | 585.64 |
| SEG | <u>85.69</u> | <u>86.33</u> | <u>85.69</u> | <u>85.69</u> | <u>85.69</u> | <u>0.00</u> |
| TOTAL | 29,634.07 | 29,571.71 | 29,574.71 | 29,574.71 | 29,569.71 | - 64.36 |

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

| | Governor (Chg. to Base) | | Jt. Finance/Leg. (Chg. to Gov) | | Net Change | |
|---------|----------------------------|---------------|-----------------------------------|-------------|-------------------|---------------|
| | Funding | Positions | Funding | Positions | Funding | Positions |
| GPR-REV | \$0 | | \$84,200 | | \$84,200 | |
| GPR | \$50,652,400 | 0.00 | -\$204,400 | 0.00 | \$50,448,000 | 0.00 |
| PR | <u>20,191,800</u> | <u>- 2.00</u> | <u>- 84,200</u> | <u>0.00</u> | <u>20,107,600</u> | <u>- 2.00</u> |
| Total | \$70,844,200 | - 2.00 | -\$288,600 | 0.00 | \$70,555,600 | - 2.00 |

Governor: Adjust the base budget by \$25,326,200 GPR and \$10,095,900 PR annually, for: (a) removal of noncontinuing items (-\$394,900 GPR and -\$175,000 PR annually along with -2.0 PR positions); (b) full funding of 1999-01 classified pay plan (\$1,670,000 GPR and \$603,300 PR annually); (c) full funding of 2001-03 classified non-represented pay plan (\$1,000,500 GPR and \$342,800 PR annually); (d) full funding of 2000-01 and 2001-02 classified craftworker pay plan (\$829,800 GPR and \$296,300 PR annually); (e) full funding of Smith-Lever cooperative extension pay plan for 2001-02 and 2002-03 (\$321,500 GPR annually); (f) full funding of fringe benefits (\$21,104,900 GPR and \$8,747,900 PR annually, primarily relating to retirement and health insurance costs); (g) full funding for discretionary compensation adjustments and performance recognition awards (PRA) paid in 2001-02 (\$512,700 GPR and \$175,700 PR annually); (h) reclassifications (\$179,500 GPR and \$62,800 PR annually); and (i) funding for fifth week of vacation taken as cash (\$102,200 GPR and \$42,100 PR annually).

Joint Finance/Legislature: Delete funding for fifth week of vacation as cash (\$102,200 GPR and \$42,100 PR annually). Require the agency to lapse to the general fund in 2003-04 and 2004-05 a total of \$42,100 annually from those PR accounts or funds from which these fifth week vacation as cash payments had been budgeted. Estimate GPR-REV of \$42,100 annually.

[Act 33 Section: 9160(3f)]

2. BASE BUDGET REDUCTIONS [LFB Paper 795]

| Funding Positions | |
|-------------------|--------------------------|
| GPR | - \$250,000,000 - 650.00 |

Governor: Reduce the UW System's GPR-funded state operations appropriations, except debt service and fuel and utilities, as well as three specific aids to individuals and organizations appropriations, by a total of \$110,000,000 in 2003-04 and \$140,000,000 in 2004-05 and delete 650.0 positions starting in 2003-04. The positions would be deleted from the agency's largest general program operations appropriation, which is used to support programs, services, enrollments, faculty, and staff of UW System institutions.

The following table shows each affected appropriation, its adjusted base, the proposed reduction amount by year, and the percentage reduction from the base for each year.

| <u>Appropriation</u> | Adjusted Base for these <u>Appropriations</u> | <u>Reduction Amount</u> | | <u>% Change to Base</u> | |
|---|---|-------------------------|-----------------|-------------------------|----------------|
| | | <u>2003-04</u> | <u>2004-05</u> | <u>2003-04</u> | <u>2004-05</u> |
| General Program Operations | \$827,579,700 | -\$107,805,000 | -\$137,805,000 | -13.0% | -16.7% |
| Distinguished Professorships | 809,100 | -26,100 | -26,100 | -3.2 | -3.2 |
| Industrial and Economic Development Research | 1,663,400 | -54,700 | -54,700 | -3.3 | -3.3 |
| Area Health Education Centers (Aids Appropriation) | 1,164,800 | -37,400 | -37,400 | -3.2 | -3.2 |
| Fee Remissions | 30,000 | -1,000 | -1,000 | -3.3 | -3.3 |
| Educational Technology | 6,609,400 | -214,200 | -214,200 | -3.2 | -3.2 |
| Schools of Business | 1,643,000 | -73,300 | -73,300 | -4.5 | -4.5 |
| Extension Outreach | 359,900 | -12,000 | -12,000 | -3.3 | -3.3 |
| Extension Local Planning Program | 85,800 | -2,800 | -2,800 | -3.3 | -3.3 |
| Family Medicine and Practice | 8,165,200 | -276,100 | -276,100 | -3.4 | -3.4 |
| State Laboratory of Hygiene | 7,820,400 | -267,700 | -267,700 | -3.4 | -3.4 |
| Veterinary Diagnostic Lab | 4,392,000 | -149,000 | -149,000 | -3.4 | -3.4 |
| Laboratories | 4,217,300 | -277,300 | -277,300 | -6.6 | -6.6 |
| Farm Safety Program Grants (Aids Appropriation) | 20,000 | -600 | -600 | -3.0 | -3.0 |
| Wisconsin Humanities Council (Aids Appropriation) | 75,000 | -2,400 | -2,400 | -3.2 | -3.2 |
| Alcohol and other Drug Abuse Prevention | 67,500 | -2,200 | -2,200 | -3.3 | -3.3 |
| General Program Operations--UW System Administration | 9,634,200 | -324,100 | -324,100 | -3.4 | -3.4 |
| Minority and Disadvantaged Programs | 10,221,700 | -336,500 | -336,500 | -3.3 | -3.3 |
| UW Hospital and Clinics Services | <u>4,174,700</u> | <u>-137,600</u> | <u>-137,600</u> | -3.3 | -3.3 |
| Totals | \$888,733,100 | -\$110,000,000 | -\$140,000,000 | -12.4% | -15.8% |

Joint Finance/Legislature: Modify the Governor's recommendation by reallocating the \$1,000 annual reduction from the fee remissions appropriation to the largest general program operations appropriation. Reduce the position reduction to 325.0 positions in 2003-04 by restoring 325.0 positions in 2003-04.

3. RESIDENT UNDERGRADUATE TUITION INCREASE LIMIT
[LFB Paper 796]

| | |
|----|---------------|
| PR | \$150,000,000 |
|----|---------------|

Governor: Provide \$50,000,000 in 2003-04 and \$100,000,000 in 2004-05 of additional tuition expenditure authority related to increasing tuition for the 2003-04 and 2004-05 academic years to partially offset base budget reductions of \$110,000,000 GPR in 2003-04 and \$140,000,000 GPR in 2004-05. Restrict the UW-System Board of Regents from increasing tuition for resident undergraduate students at UW-Madison or UW-Milwaukee by more than \$350 a semester over the tuition charged in the prior academic year during the 2003-04 and 2004-05 academic years, and for a student enrolled at any other UW System institution by more than \$250 a semester over the tuition charged in the prior academic year in the 2003-04 and 2004-05 academic years.

In 2002-03, academic year resident undergraduate tuition at doctoral campuses is \$3,854 at

UW-Madison and \$3,738 at UW-Milwaukee; tuition at the comprehensive campuses ranges from \$3,000 to \$3,150; and tuition at the colleges is \$2,700. If fully implemented by the Board, resident undergraduate tuition at UW-Madison would increase by approximately 18.2% in 2003-04 and 15.4% in 2004-05, with annual tuition of \$4,554 in 2003-04 and \$5,254 in 2004-05. Tuition at UW-Milwaukee would increase by approximately 18.7% in 2003-04 and 15.8% in 2004-05, with annual tuition of \$4,438 in 2003-04 and \$5,138 in 2004-05. Tuition at comprehensive campuses would increase by approximately 16.6% in 2003-04 and 14.4% in 2004-05, with annual tuition ranging from \$3,500 to \$3,650 in 2003-04 and from \$4,000 to \$4,150 in 2004-05. Tuition at UW-Colleges would increase by 18.5% in 2003-04 and 15.6% in 2004-05, with annual tuition of \$3,200 in 2003-04 and \$3,700 in 2004-05. In addition to these annual tuition amounts, there are segregated fees paid by all students. In 2002-03, these annual fees total \$569 at UW-Madison, \$615 at UW-Milwaukee, and range between \$461 and \$1,023 at other campuses.

Under current law, the Board is restricted from increasing tuition, including differential tuition, for resident undergraduate students beyond an amount sufficient to fund the following: (a) the amount shown in the appropriation schedule for the tuition appropriation; (b) approved compensation and fringe benefits adjustments for faculty and staff; (c) revenue losses caused by unforeseen enrollment changes; (d) state imposed costs not covered by GPR as determined by the Board; (e) distance education, intersession and nontraditional courses; and (f) differential tuition that is approved by the Board but not included in the amount in the tuition appropriation schedule.

Joint Finance/Legislature: Modify by specifying that the tuition limit would not apply to either current or future differential tuition initiatives approved by both students and the UW System Board of Regents.

[Act 33 Sections: 9157(1)&(1q)]

4. SUPPLEMENTAL FUNDING FOR LAWTON GRANTS [LFB

| | |
|----|-------------|
| PR | \$2,603,600 |
|----|-------------|

 Paper 798]

Governor: Provide \$761,500 in 2003-04 and \$1,842,100 in 2004-05 in supplemental funding for the Lawton minority undergraduate need-based grant program through a new, annual appropriation funded through transfers from the UW System's auxiliary enterprises appropriation. Total funding for Lawton grants would increase by 24.7% to \$3,842,300 in 2003-04 and 28.1% to \$4,922,900 in 2004-05 over base funding of \$3,080,800 GPR in 2002-03.

Supplemental funding for the Lawton grants program would be provided through transfers from the UW System's auxiliary enterprise appropriation. As part of its operations, each UW System campus administers auxiliary enterprises, which are non-instructional facilities that provide services to students. These operations, including residence halls, dining halls, parking, and bookstores, are self-supporting through user fees, merchandise sales, and interest earnings. Other non-instructional activities, such as student government, student health

services, transportation, student unions, and intercollegiate athletics, are funded, at least in part, through a segregated fee assessed to all students which is also included under the UW System's auxiliary reserve appropriation. Funding for UW System auxiliary enterprises is provided in a continuing appropriation with base funding of \$443,500,500 in 2002-03.

Under current law, Lawton funding increases are linked to the highest prior year increase for resident undergraduate tuition at any UW System institution starting in 2003-04. In order to level fund the GPR appropriation as done in the bill, the bill would need to be modified to delete or suspend this linkage. If the linkage remains unchanged from current law, GPR funding for Lawton would need to increase by an estimated \$354,300 in 2003-04 (11.5%) over base funding, and an estimated \$996,600 in 2004-05, which would represent an 18.7% increase in 2004-05 over 2003-04.

Joint Finance/Legislature: Modify to suspend the link between prior year percentage increases in UW System undergraduate tuition and GPR funding for Lawton grants until 2005-06. In addition, specify that no monies could be expended or encumbered after June 30, 2005, from the PR-funded Lawton appropriation funded from UW auxiliary reserves. Prohibit the Board of Regents from using monies accumulated in segregated fee accounts for funding financial aid. Require the UW System to submit the proposed allocation of the auxiliary reserve reductions by campus and auxiliary reserve account by September 15 in each year of the 2003-05 biennium for approval by DOA. Once approved by DOA, the proposed allocation would be submitted to the Joint Finance Committee for approval or modification under a 14-day passive review process.

Veto by Governor [A-23 and A-24]: Eliminate the requirement for the Board of Regents to submit to the Department of Administration, and then to the Joint Committee on Finance under a 14-day passive review, its plan for using auxiliary enterprise balances to fund student financial aid. In addition, delete the June 30, 2005, sunset date for the PR-funded Lawton grants financial aid appropriation funded from UW auxiliary reserves.

[Act 33 Sections: 385, 388m, 389d, 939, 939m, and 9157(1x)]

[Act 33 Vetoed Sections: 386d, 389d, 939g, 9157(1x), and 9457(2x)]

5. SUPPLEMENTAL FUNDING FOR ADVANCED OPPORTUNITY PROGRAM (AOP) GRANTS [LFB Paper 798]

| | |
|----|-------------|
| PR | \$2,475,000 |
|----|-------------|

Governor: Provide \$825,000 in 2003-04 and \$1,650,000 in 2004-05 in supplemental funding for the advanced opportunity program (AOP) through a new, annual appropriation funded through transfers from the UW System's auxiliary enterprises appropriation. AOP provides grants to minority graduate students with base level funding of \$4,905,900. Total funding for AOP would increase by 16.8% to \$5,730,900 in 2003-04 and 14.4% to \$6,555,900 in 2004-05.

Supplemental funding for the AOP would be provided from the same funding source described in the preceding item.

Joint Finance/Legislature: Modify to specify that no monies could be expended or encumbered after June 30, 2005, from the PR-funded, AOP appropriation funded from UW auxiliary reserves. In addition, establish restrictions on the use of monies accumulated in segregated fee accounts and a required passive review process for allocation of auxiliary reserves identical to those summarized in the preceding item.

Veto by Governor [A-23 and A-24]: Eliminate the requirement for the Board of Regents to submit to the Department of Administration and then to the Joint Committee on Finance under a 14-day passive review its plan for using auxiliary enterprise balances to fund student financial aid. In addition, delete the June 30, 2005, sunset date for the PR-funded, AOP financial aid appropriation funded from UW auxiliary reserves.

[Act 33 Sections: 385, 390d, 933, 9157(1x)]

[Act 33 Vetoed Sections: 386d, 390d, 933g, 9157(1x), and 9457(2x)]

6. DEBT SERVICE FUNDING [LFB Paper 195]

| | Governor (Chg. to Base) | Jt. Finance/Leg. (Chg. to Gov) | Net Change |
|-------|----------------------------|-----------------------------------|-------------------|
| GPR | \$20,712,700 | - \$2,782,700 | \$17,930,000 |
| PR | <u>15,866,300</u> | <u>0</u> | <u>15,866,300</u> |
| Total | \$36,579,000 | - \$2,782,700 | \$33,796,300 |

Governor: Provide \$10,226,700 GPR and \$3,608,100 PR in 2003-04 and \$10,486,000 GPR and \$12,258,200 PR in 2004-05 to fund estimated debt service costs. Annual base level funding for debt service is \$90,571,700 GPR and \$32,339,100 PR.

Joint Finance/Legislature: Delete \$1,529,600 GPR in 2003-04 and \$1,253,100 GPR in 2004-05 to reflect a reestimate of debt service costs.

7. FUEL AND UTILITIES EXPENSES [LFB Paper 797]

| | Governor (Chg. to Base) | Jt. Finance/Leg. (Chg. to Gov) | Net Change |
|-------|----------------------------|-----------------------------------|------------------|
| GPR | \$14,916,600 | - \$4,027,500 | \$10,889,100 |
| PR | <u>0</u> | <u>4,027,500</u> | <u>4,027,500</u> |
| Total | \$14,916,600 | \$0 | \$14,916,600 |

Governor: Provide \$8,077,700 in 2003-04 and \$6,838,900 in 2004-05 for fuel and utility expenses for the UW System. Increased funding reflects projected fuel and utility costs in the 2003-05 biennium. Annual base level funding is \$50,082,300.

Joint Finance/Legislature: Reduce the University's largest state operations appropriation by \$2,181,000 GPR in 2003-04 and \$1,846,500 GPR in 2004-05 and provide \$2,181,000 PR in 2003-04 and \$1,846,500 PR in 2004-05 in the tuition appropriation to reflect the application of revenues to be received in 2003-05 from fuel and utilities charges assessed to students.

8. DEPRECIATION OFFSET [LFB Paper 799]

| | |
|-------|------------------|
| GPR | - \$1,685,800 |
| PR | <u>1,685,800</u> |
| Total | \$0 |

Joint Finance/Legislature: Reduce funding by \$449,100 GPR in 2003-04 and \$1,236,700 GPR in 2004-05 and provide \$449,100 PR in 2003-04 and \$1,236,700 PR in 2004-05 to reflect the application of tuition revenues to be received in 2003-05 from depreciation charges assessed to students for instructional buildings.

9. ROCK COUNTY ENGINEERING INITIATIVE

| | Jt. Finance/Leg. (Chg. to Gov) | | Veto (Chg. to Leg) | | Net Change | |
|-------|---|------------------|-------------------------------|------------------|-------------------|------------------|
| | Funding | Positions | Funding | Positions | Funding | Positions |
| GPR | \$378,300 | 5.00 | - \$378,300 | - 5.00 | \$0 | 0.00 |
| PR | 203,700 | 0.00 | - 203,700 | 0.00 | 0 | 0.00 |
| Total | \$582,000 | 5.00 | - \$582,000 | - 5.00 | \$0 | 0.00 |

Joint Finance/Legislature: Provide \$378,300 GPR and \$203,700 PR with 5.0 GPR positions in 2004-05 for UW-Platteville and UW-Rock County for UW-Platteville to provide engineering instruction at UW-Rock County.

Veto by Governor [A-25]: Delete provision.

[Act 33 Vetoed Section: 286 (as it relates to s.20.285(1)(a)&(im))]

10. UW-MADISON INTERCOLLEGIATE ATHLETICS

| | |
|----|-------------|
| PR | \$8,531,100 |
|----|-------------|

Governor/Legislature: Provide \$1,978,200 in 2003-04 and \$6,552,900 in 2004-05 to reflect changes in spending authority and program revenue increases for 2003-05. This program revenue is generated from athletic events, camps, clinics, and the University Ridge golf course. Base funding for the major PR appropriation for this program is \$44,883,700, and base funding for the program's PR gifts appropriation is \$4,405,600.

11. REESTIMATE GIFT FUNDS

| | |
|----|--------------|
| PR | \$89,278,000 |
|----|--------------|

Governor/Legislature: Provide \$29,728,700 in 2003-04 and \$59,549,300 in 2004-05 for gift funds donated to the University. These increases reflect projected growth in private gifts and bequests and corporate donations as well as related expenditures. Base level funding is \$348,906,400.

12. REESTIMATE GIFT, AUXILIARIES AND OTHER CONTINUING APPROPRIATIONS

| Funding Positions | | |
|-------------------|--------------|--------|
| PR | \$55,300,800 | 581.64 |

Governor/Legislature: Provide \$27,650,400 and 581.64 positions annually to reflect reestimated expenditures from gift, auxiliary and other continuing appropriations as well as currently authorized position totals. These increases are due to adjustments to reflect current expenditure and staffing levels. Of the positions, 378.11 are funded from the UW's major gifts and donations appropriation, 188.78 are for UW auxiliaries, and the remaining position adjustments would be made to a number of PR funded appropriations.

13. REESTIMATE AUXILIARY OPERATIONS APPROPRIATION

| | |
|----|--------------|
| PR | \$54,945,200 |
|----|--------------|

Governor/Legislature: Provide \$18,080,700 in 2003-04 and \$36,864,500 in 2004-05 to reestimate the appropriation for auxiliary operations, from the base level of \$443,500,500. This increase reflects projected growth and cost increases for enterprises that are self-supporting through student segregated fees and the sale of goods and services. These enterprises include student housing, parking, bookstores, student health services and student unions.

14. ADJUST TUITION AND FEE REVENUES

| | |
|----|--------------|
| PR | \$51,709,000 |
|----|--------------|

Governor/Legislature: Provide \$25,854,500 annually to adjust base level funding to the estimated 2002-03 operating budget level. This item reflects the UW System's projected tuition and fees expenditure level in 2002-03 from this appropriation. Base level funding is \$576,225,400.

15. STUDENT TECHNOLOGY FEE REVENUES

| | |
|----|-------------|
| PR | \$6,693,300 |
|----|-------------|

Governor/Legislature: Provide \$2,827,400 in 2003-04 and \$3,865,900 in 2004-05 for instructional technology funds to reflect projected higher fee revenues attributable to general tuition revenue growth, since the fee is set as a percentage (2% to 2.5%) of overall tuition. This provision would provide expenditure authority for student technology fee revenues from fees started in previous biennia.

16. REESTIMATE TRUST FUND INCOME

| | |
|-----|-------------|
| SEG | \$4,976,000 |
|-----|-------------|

Governor/Legislature: Provide \$1,621,800 in 2003-04 and \$3,354,200 in 2004-05 to reestimate trust fund interest income. Trust funds result from donations by individuals, corporations, and non-profit organizations and can be earmarked for specific purposes or donated as discretionary funds. Trust fund earnings are used for scholarships, loans, books, and medical equipment, while the principal is maintained under Board of Regents policies.

17. REESTIMATE GENERAL OPERATING RECEIPTS

| | |
|----|-------------|
| PR | \$2,910,200 |
|----|-------------|

Governor/Legislature: Provide \$957,700 in 2003-04 and \$1,952,500 in 2004-05 to reestimate general operating receipts. The reestimate reflects adjustments for estimated growth and cost increases for operations that are self-supporting through the sale of goods and services. These activities include conferences, camps, workshops, clinics, and outreach programs in business, education, and engineering as well as the sale of products or services resulting from instructional programming.

**18. WISCONSIN VETERINARY DIAGNOSTIC LAB (WVDL)
FOREIGN ANIMAL DISEASES [LFB Paper 531]**

| | |
|-----|-------------|
| FED | \$1,436,000 |
|-----|-------------|

Governor/Legislature: Provide \$718,000 annually in a new, federal appropriation for WVDL to permit the laboratory to receive federal funds directly. In October, 2002, the WVDL was awarded a \$2.0 million grant to provide animal diagnostic work for the U.S. Department of Agriculture over a two-year period. The funding reflects expenditure authority of the grant funding over the biennium. Under the federal grant, WVDL will coordinate with other grant recipients and two national laboratories in the diagnosis of threatening foreign animal diseases as part of a national diagnostic lab network.

[Act 33 Section: 388]

**19. WVDL CHRONIC WASTING DISEASE FUNDING [LFB
Paper 531]**

| Funding Positions | | |
|-------------------|-------------|------|
| PR | \$1,200,000 | 6.00 |

Governor/Legislature: Provide \$600,000 and 6.0 positions annually for WVDL to perform wildlife testing for chronic wasting diseases (CWD). Of this funding, \$153,200 in 2003-04 and \$141,800 in 2004-05 would be for the supplies costs associated with CWD testing, and \$446,800 in 2003-04 and \$458,200 in 2004-05 would be provided for the salary and fringe benefits costs of the staff involved in this testing. Under 2001 Act 108, \$901,600 in one-time funding was provided from the Department of Natural Resources to the WVDL to perform testing for CWD. The funding would enable the WVDL to continue to

conduct CWD tests through the 2003-05 biennium. Funding would come from the Department of Natural Resource's fish and wildlife account of the conservation fund.

20. STATE LABORATORY OF HYGIENE

| | |
|----|-----------|
| PR | \$442,200 |
|----|-----------|

Governor/Legislature: Provide \$221,100 annually to support increased workload of blood alcohol and other drug content samples for law enforcement agencies. These funds would support: (a) two authorized, but unfunded, chemist positions (\$71,600 annually); (b) discretionary compensation adjustments (\$46,800 annually); (c) fringe benefits (\$37,700 annually); (d) supplies and services (\$35,000 annually); and (e) replacement of equipment (\$30,000 annually).

21. BASE PAY PLAN ADJUSTMENT

| | |
|-------|-------------|
| GPR | \$1,470,400 |
| PR | - 1,470,400 |
| Total | \$0 |

Governor/Legislature: Provide \$735,200 GPR annually and delete \$735,200 PR annually to adjust the 2001-03 unclassified pay plan that was built into the UW System's 2003-05 biennial budget base. To correct an error in calculating the 2001-03 unclassified pay plan, the current base would be adjusted to switch salaries and fringe benefits adjustments for certain GPR funded unclassified employees from academic fee revenue to general purpose revenue.

22. AQUACULTURE DEMONSTRATION FACILITY FUNDING REDUCTION

| | |
|----|-------------|
| PR | - \$300,000 |
|----|-------------|

Joint Finance/Legislature: Delete \$150,000 annually from the UW aquaculture demonstration facility operations and maintenance funding appropriation. Base funding of \$250,000 annually from Indian gaming revenues is currently provided for the facility.

23. SUMMER SESSION PAY PLAN

| | |
|-------|----------|
| GPR | \$12,200 |
| PR | - 12,200 |
| Total | \$0 |

Governor/Legislature: Provide \$6,100 GPR and delete \$6,100 PR annually as a correction related to allocating funding provided for summer session pay plan supplement in the 2001-03 biennial budget.

24. FINANCIAL SERVICES BILLING SUPPLEMENT

| | |
|-------|----------|
| PR | \$39,000 |
| SEG | - 39,000 |
| Total | \$0 |

Governor/Legislature: Provide \$19,500 PR and delete \$19,500 SEG annually as a correction related to supplemental funding provided by DOA to cover increases in financial services billing. In 2002-03, DOA provided a financial services billing supplement of \$19,500 in segregated funds; however, the UW System remits the entire payment for financial services from program revenue funds.

25. TRANSFER OF HIGHER EDUCATIONAL AIDS BOARD DUTIES AND PROGRAMS TO THE UW SYSTEM BOARD OF REGENTS [LFB Paper 445]

| | Governor (Chg. to Base) | | Jt. Finance/Leg. (Chg. to Gov) | | Net Change | |
|-------|------------------------------------|------------------|---|------------------|-------------------|------------------|
| | Funding | Positions | Funding | Positions | Funding | Positions |
| GPR | \$67,464,500 | 1.36 | - \$67,464,500 | - 1.36 | \$0 | 0.00 |
| FED | 1,396,400 | 0.00 | - 1,396,400 | 0.00 | 0 | 0.00 |
| PR | 16,225,400 | 0.00 | - 16,225,400 | 0.00 | 0 | 0.00 |
| SEG | 76,800 | 0.64 | - 76,800 | - 0.64 | 0 | 0.00 |
| Total | \$85,163,100 | 2.00 | - \$85,163,100 | - 2.00 | \$0 | 0.00 |

Governor: Transfer \$67,464,500 GPR, \$16,225,400 PR, \$1,396,400 FED, and \$76,800 SEG with 1.36 GPR and 0.64 SEG positions in 2004-05 from the higher educational aids board (HEAB) to the UW System Board of Regents. Effective July 1, 2004, eliminate HEAB and the executive secretary position in HEAB and transfer the following duties and programs to the UW System Board:

Administration of Financial Aid. Provide \$196,900 GPR, \$1,000 PR, and \$76,800 SEG with 1.36 GPR and 0.64 SEG positions to the UW System Board for administration of financial aid programs transferred from HEAB.

Provide that the incumbent employees transferred from HEAB to the UW System would retain all employment rights and status that they held prior to the transfer and that no transferred employee who had attained permanent status in the classified service would be required to serve a new probationary period.

Transfer from HEAB to the UW System Board of Regents all assets, liabilities, tangible personal property, and records. Transfer all outstanding loans made under HEAB administered student loan programs. Provide that all contracts entered into by HEAB that were in effect prior to the transfer would remain in effect until their specified expiration date or until they were rescinded or modified by the UW, to the extent allowed under the contract. Provide that any pending matters would transfer to UW and all materials submitted to HEAB or actions taken by HEAB concerning the pending matter would be considered as having been submitted to or been taken by UW.

Specify that all rules promulgated and orders issued by HEAB that were in effect would remain in effect until their specified expiration date or until they were amended or repealed by UW. Permit the UW System Board to establish policies, rather than promulgate rules, to administer the financial aid programs for which rules are required under current law.

Financial Aid Programs. Transfer \$67,267,600 GPR, \$16,224,400 PR, and \$1,396,400 FED in 2004-05 to the UW System from HEAB for the following programs:

| | <u>2004-05</u> | <u>Fund Source</u> |
|--|---------------------|--------------------|
| GPR Funded Programs | | |
| Tuition Grant | \$22,103,700 | GPR |
| Nursing Student Loan | 450,000 | GPR |
| Minority Teacher Loan | 262,100 | GPR |
| Teacher Education Loan | 275,000 | GPR |
| Teacher of the Visually Impaired | 100,000 | GPR |
| Dental Education Contract | 758,500 | GPR |
| Talent Incentive Grant | 4,503,800 | GPR |
| WHEG-UW Students | 19,926,800 | GPR |
| WHEG-WTCS Students | 14,874,000 | GPR |
| Minority Student Grant | 756,900 | GPR |
| Handicapped Student Grant | 123,800 | GPR |
| Academic Excellence Scholarship | <u>3,133,000</u> | GPR |
| Subtotal GPR Programs | \$67,267,600 | GPR |
| PR Funded Programs | | |
| Indian Student Grant | \$787,600 | PR |
| WHEG-Tribal College Students | 404,000 | PR |
| WHEG-UW Supplemental Funding | <u>15,032,800</u> | PR |
| Subtotal PR Programs | \$16,224,400 | PR |
| FED Funded Program | | |
| Talent incentive grant program -- supplement | <u>\$1,396,400</u> | FED |
| Total -- All Funds | \$84,888,400 | All Funds |

Minnesota-Wisconsin Tuition Reciprocity Agreement Administration. Transfer administration of the Minnesota-Wisconsin reciprocity program from HEAB to the UW System Board of Regents. Under current law, the agreement is negotiated and administered jointly by the Minnesota Higher Educational Services Office and HEAB.

Medical and Dental Capitation Programs. Transfer administration of contracts with the Medical College of Wisconsin and the Marquette University Dental School from HEAB to the UW System Board of Regents. Under the medical and dental capitation contracts, state funding is provided as per capita tuition assistance for state residents enrolled at the Medical College of Wisconsin and Marquette University Dental School.

Joint Finance/Legislature: Delete provision, and thus maintain HEAB and its responsibilities as under current law.